

## Enclosure 7-A

### Estimate of Upper Payment Limit for State-Owned Facilities

(Based on Weighted Average Medi-Cal Rate, Weighted by Total Annualized Medi-Cal Days for State-Owned Facilities)

#### *Estimated Maximum Medi-Cal Payments Under AB1629 Methodology*

Weighted Average Medi-Cal Rate (COLA-Adjusted 04/05)	\$	126.80
Add: Eight Percent Cap per AB 1629		1.08
FY 2005/06 Maximum Weighted Average Rate	\$	136.94
Add: Quality Assurance Fee <sup>(1)</sup>		-
Subtotal	\$	136.94
Total Paid Medi-Cal Days		7,655
Total Estimated Medi-Cal Payments in 2005/06	\$	1,048,306
Add: Ancillary Claims for State-Owned Facilities		
Pharmacy	\$	86,398
Therapies		-
Laboratory/Radiology		-
<b>Total Estimated Medi-Cal Payments Including Ancillary Costs</b>	<b>\$</b>	<b>1,134,704</b>

#### *Estimated Medicare Payments for Medi-Cal Residents Under SNF PPS Methodology*

Total Estimated Medicare Payments Resulting from RUGs <sup>(2)</sup>	\$	1,227,422
Weighted Average RUGs rate for State-Owned Facilities	\$	218.87
Total "Unmatched" Days in RUGs Methodology <sup>(3)</sup>		2,047
Subtotal - Weighted Average Rate Applied to Days	\$	448,027
<b>Total Estimated Medicare Payments for State-Owned Facility Residents</b>	<b>\$</b>	<b>1,675,448</b>

#### **Difference between Estimated Medi-Cal Payments Under AB1629 Methodology and Estimated Medicare Payments for Medi-Cal Beneficiaries Under SNF PPS Methodology**

**\$ (540,744)**

#### Notes:

- (1) State-owned facilities are exempt from the Quality Assurance Fee.
- (2) SNF PPS case-mix adjusted Federal rates for urban and rural SNFs obtained from Tables 6 and 7 of the Federal Register dated July 30, 2004. Wage index information obtained from Table 8 of the Federal Register dated December 30, 2004. Federal Register information used to estimate Medicare PPS payments is effective October 1, 2004 - September 30, 2005.
- (3) The technical process of linking MDS assessment data to OSHPD cost report data to paid claims data resulted in paid claims days for beneficiaries that cannot be reconciled to a specific facility. In these cases, "unmatched" days are assigned the UPL group weighted average RUG payment rate.